



भारत का राजपत्र The Gazette of India

असाधारण

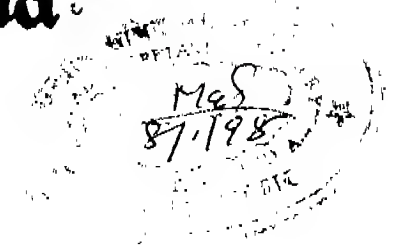
EXTRAORDINARY

भाग II—खण्ड 2

PART II—Section 2

प्राधिकार से प्रकाशित

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इस भाग में भिन्न पृष्ठ संख्या दी जाती है जिससे कि यह अलग संकलन के रूप में रखा जा सके।
Separate paging is given to this Part in order that it may be filed as a separate compilation.

LOK SABHA

The following Bills were introduced in Lok Sabha on 13th August, 1997:—

BILL No. 116 OF 1997

A Bill to authorise payment and appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year 1997-98.

BE it enacted by Parliament in the Forty-eighth Year of the Republic of India as follows:—

1. This Act may be called the Appropriation (No. 4) Act, 1997.
2. From and out of the Consolidated Fund of India there may be paid and applied sums not exceeding those specified in column 3 of the Schedule amounting in the aggregate to the sum of three thousand nine hundred and thirty-six crores and fifty-five lakh rupees towards defraying the several charges which will come in course of payment during the financial year 1997-98, in respect of the services specified in column 2 of the Schedule.

Short title.

Issue of
Rs. 3936,55,00,000
out of the Con-
solidated Fund of
India for the year
1997-98.

3. The sums authorised to be paid and applied from and out of the Consolidated Fund of India by this Act shall be appropriated for the services and purposes expressed in the Schedule in relation to the said year.

Appropriation.

THE SCHEDULE
(See sections 2 and 3)

1 No. of Vote	2 Services and purposes	3 Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
2	Other Services of Department of Agriculture and Cooperation Revenue	1,00,000	..	1,00,000
4	Department of Animal Husbandry and Dairying Revenue	37,50,00,000	..	37,50,00,000
5	Department of Chemicals and Petro-chemicals Revenue	250,00,000	..	250,00,000
6	Department of Fertilizers Revenue	46,99,00,000	..	46,99,00,000
	Capital	1,00,000	..	1,00,000
9	Ministry of Civil Supplies, Consumer Affairs and Public Distribution Revenue	50,00,000	..	50,00,000
10	Ministry of Coal Revenue	250,00,000	..	250,00,000
11	Department of Commerce Revenue	200,00,000	..	200,00,000
14	Department of Telecommunications . . Revenue	42,97,00,000	..	42,97,00,000
15	Ministry of Defence Revenue	5,50,00,000	..	5,50,00,000
22	Ministry of Environment and Forests . Revenue	1,00,000	..	1,00,000
23	Ministry of External Affairs Revenue	40,00,00,000	..	40,00,00,000
26	Payments to Financial Institutions . . . Capital	85,00,00,000	..	85,00,00,000
28	Transfers to State and Union territory Governments Revenue	285,00,00,000	..	285,00,00,000
	Capital	..	1300,00,00,000	1300,00,00,000
	Charged.— <i>Repayment of Debt</i> Capital		1,00,000	1,00,000
34	Department of Revenue Revenue	7,20,00,000	..	7,20,00,000
35	Direct Taxes Revenue	93,30,00,000	..	93,30,00,000
38	Ministry of Food Revenue	125,00,00,000	..	125,00,00,000
43	Ministry of Home Affairs Revenue	15,00,00,000	..	15,00,00,000
46	Other Expenditure of the Ministry of Home Affairs Revenue	108,00,00,000	..	108,00,00,000
47	Transfers to Union territory Governments Revenue	16,37,00,000	..	16,37,00,000
	Capital	21,56,00,000	..	21,56,00,000
50	Department of Culture Revenue	4,76,00,000	..	4,76,00,000
52	Department of Industrial Development and Industrial Policy and Promotion Revenue	1,00,000	25,00,000	26,00,000

1	2	3		
No. of Vote	Services and purposes	Sums not exceeding		
		Voted by Parliament	Charged on the Consolidated Fund	Total
		Rs.	Rs.	Rs.
54	Department of Heavy Industry Revenue Capital	106,76,00,000 18,01,00,000	106,76,00,000 18,01,00,000
55	Department of Small Scale Industries and Agro and Rural Industries Revenue	1,01,00,000	..	1,01,00,000
57	Broadcasting Services Revenue Capital	2,00,000 2,00,000	2,72,00,000 34,00,000	2,74,00,000 36,00,000
58	Ministry of Labour Revenue	4,50,00,000	..	4,50,00,000
59	Law and Justice Revenue	73,00,000	..	73,00,000
62	Ministry of Mines Revenue	17,00,00,000	..	17,00,00,000
66	Ministry of Petroleum and Natural Gas Revenue	50,00,000	..	50,00,000
67	Planning Revenue	1,00,000	..	1,00,000
70	Ministry of Power Revenue Capital	200,00,00,000 697,50,00,000	200,00,00,000 697,50,00,000
74	Department of Science and Technology Revenue	50,00,00,000	..	50,00,00,000
77	Ministry of Steel Revenue	34,00,00,000	..	34,00,00,000
78	Surface Transport Revenue	95,01,00,000	..	95,01,00,000
80	Ports, Lighthouses and Shipping . . Revenue	1,00,00,000	..	1,00,00,000
81	Ministry of Textiles Revenue Capital	10,18,00,000 249,87,00,000	10,18,00,000 249,87,00,000
82	Urban Development Revenue		13,00,00,000	13,00,00,000
83	Urban Employment and Poverty Alleviation Capital	1,00,000	..	1,00,000
84	Public Works Revenue	..	12,00,00,000	12,00,00,000
86	Ministry of Water Resources Revenue	2,50,00,000	..	2,50,00,000
88	Atomic Energy Revenue	1,50,30,000	..	1,50,00,000
89	Nuclear Power Schemes Capital	147,00,00,000	..	147,00,00,000
98	Andaman and Nicobar Islands . . . Revenue Capital	11,48,00,000 2,72,00,000	11,48,00,000 2,72,00,000
99	Chandigarh Revenue Capital	5,52,00,000 1,35,00,000	5,52,00,000 1,35,00,000
100	Dadra and Nagar Haveli Revenue Capital	80,00,000 1,91,00,000	80,00,000 1,91,00,000
101	Daman and Diu Capital	2,36,00,000	..	2,36,00,000
102	Lakshadweep Revenue Capital	1,77,00,000 1,50,00,000	1,77,00,000 1,50,00,000
	TOTAL	2608,23,00,000	1328,32,00,000	3936,55,00,000

STATEMENT OF OBJECTS AND REASONS

This Bill is introduced in pursuance of article 114(1) of the Constitution of India, read with article 115 thereof, to provide for the appropriation out of the Consolidated Fund of India of the moneys, required to meet the supplementary expenditure charged on the Consolidated Fund of India and the grants made by the Lok Sabha for expenditure of the Central Government, excluding Railways, for the financial year 1997-98.

P. CHIDAMBARAM.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

[Copy of letter No. 4 (46)-B(SD)/97, dated 4 August, 1997 from Shri P. Chidambaram, Minister of Finance to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill to authorise appropriation of certain further sums from and out of the Consolidated Fund of India for the services of the financial year ending 31st day of March, 1998 recommends the introduction of the Appropriation (No. 4) Bill, 1997 in Lok Sabha and also recommends to Lok Sabha the consideration of the Bill under article 117(1) and (3) of the Constitution read with article 115(2) thereof.

BILL NO. 119 OF 1997

A Bill further to amend the Income-tax Act, 1961.

BE it enacted by Parliament in the Forty-eighth Year of the Republic of India as follows:—

1. (1) This Act may be called the Income-tax (Second Amendment) Act, 1997.

Short title and
commence-
ment.

(2) It shall come into force with effect from the 1st day of April, 1998.

43 of 1961.

2. In section 32 of the Income-tax Act, 1961 (hereinafter referred to as the Income-tax Act), in sub-section (1),—

Amendment of
section 32.

(a) before clause (ii), the following clause, shall be inserted, namely:—

"(i) in the case of assets of an undertaking engaged in generation or generation and distribution of power such percentage on the actual cost thereof to the assessee as may be prescribed;"

(b) for the second proviso, the following proviso shall be substituted, namely:—

"Provided further that where an asset referred to in clause (i) or clause (ii), as the case may be, is acquired by the assessee during the previous year and is put to use for the purposes of business or profession for a period of less than one hundred and eighty days in that previous year, the deduction under this sub-section in respect of such asset shall be restricted to fifty per cent. of the amount calculated at the percentage prescribed for an asset under clause (i) or clause (ii), as the case may be."

Amentment of
section 80-1A.

3. In section 80-1A of the Income-tax Act,—

(a) in sub-section (2), in clause (iv), in sub-clause (b), the following proviso shall be inserted, namely:—

'Provided that in the case of an industrial undertaking set up in any part of India for the generation, or generation and distribution, of power, the period ending shall have effect as if for the figures "1998", the figures "2000" had been substituted.'

(b) in sub-section (4E), after the words "North-Eastern Region", the words, letter and figures "or in any part of India on or after the 1st day of April, 1997" shall be inserted;

(c) in sub-section (6), in clause (iv), the following proviso shall be inserted, namely:—

'Provided that where the assessee begins operating and maintaining any infrastructure facility referred to in sub-clause (ii) of clause (ca) of sub-section (12), the provisions of this clause shall have effect as if for the word "twelve", the word "twenty" had been substituted.'

(d) after sub-section (7), the following sub-section shall be inserted, namely:—

"(7A) Notwithstanding anything contained in sub-section (4A), where housing or other activities are an integral part of the highway project and the profits of which are computed on such basis and manner as may be prescribed, such profit shall not be liable to tax where the profit has been transferred to a special reserve account and the same is actually utilised for the highway project excluding housing and other activities before the expiry of three years following the year in which such amount was transferred to the reserve account; and the amount remaining unutilised shall be chargeable to tax as income of the year in which transfer to reserve account took place."

(e) in sub-section (12), for clause (ca), the following shall be substituted, namely:—

'(ca) "infrastructure facility" means—

(i) a road, bridge, airport, port, rail system or any other public facility of a similar nature as may be notified by the Board in this behalf in the Official Gazette;

(ii) a highway including housing or other activities being an integral part of the highway project; and

(iii) a water supply project, irrigation project, sanitation and sewerage system;'

STATEMENT OF OBJECTS AND REASONS

The general principle underlying the income-tax law is to levy income-tax on profits or income without making any allowance or deduction on account of any capital which gets exhausted while yielding income. To this principle, there is an exception that the depreciation caused by wear and tear of assets, namely, building, plant, machinery and furniture is allowed by way of deduction under section 32 of the Income-tax Act, 1961. At present, the basis on which depreciation is to be claimed by an assessee is the written down value of the block of assets. Section 32 of the aforesaid Act, as it stands, does not provide for a straightline method of depreciation. With a view to enable power generating units to depreciate their capital assets in a straightline method at the same rate at which it is reimbursed by the State Electricity Board under the Electricity (Supply) Act, 1948, it is proposed to make amendment in section 32 of the aforesaid Act. With this amendment, there will be lower tax reimbursement by the State Electricity Board, consequently, a lower power tariff rate.

2. Section 80-IA of the Income-tax Act provides for a deduction in respect of profits and gains from industrial undertakings, etc., in certain cases. In order to provide incentive to mineral oil, power and highway projects, it is now proposed to amend this section so as to—

(i) extend the benefit of deduction available to undertakings commencing production of mineral oil in the North-Eastern Region after the 1st day of April, 1997 to other parts of the country;

(ii) extend the benefit of deduction available to infrastructure facility to housing and other development activities which are integral part of a highway project with a condition that the profits of such housing and other development activities shall be ploughed back to highway projects within a period of three years;

(iii) extend time limit for availing the tax holiday from twelve years to twenty years in respect of highway projects; and

(iv) extend the cut off date for availing tax benefit by undertakings which generate or generates and distributes power from the 31st March, 1998 to 31st March, 2000.

3. The Bill seeks to achieve the aforesaid objects.

NEW DELHI;

P. CHIDAMBARAM.

The 12th August, 1997.

PRESIDENT'S RECOMMENDATION UNDER ARTICLE 117 OF THE
CONSTITUTION OF INDIA

[Copy of letter No. 142/63/97-TPL, dated 5 August, 1997 from Shri P. Chidambaram,
Minister of Finance to the Secretary-General, Lok Sabha.]

The President, having been informed of the subject matter of the proposed Bill to amend the Income-tax Act, 1961, recommends under clause (1) of article 117 and clause (1) of article 274 of the Constitution of India, introduction of the above Bill in Lok Sabha.

MEMORANDUM REGARDING DELEGATED LEGISLATION

Clause 2 of the Bill seeks to amend section 32 of the Income-tax Act relating to depreciation. The proposed amendment seeks to provide that in the case of assets of an undertaking engaged in generation or generation and distribution of power, the percentage of depreciation on the actual cost of such assets is to be prescribed by the Central Board of Direct Taxes.

2. Clause 3 of the Bill seeks to amend section 80-IA of the Income-tax Act relating to deduction in respect of profits and gains from industrial undertakings, etc., in certain cases. The proposed amendment seeks to empower the Central Board of Direct Taxes to prescribe the basis and manner of computation of profits of housing and other activities which are an integral part of the highway project and such profits is to be utilised for the highway project excluding housing and other activities before the expiry of three years following the year in which such amount was transferred to the reserve account.

3. The matters in respect of which rules may be made in accordance with the aforesaid provisions of the Bill are matters of procedure and detail and it is not practicable to provide for them in the Bill itself.

4. The delegation of legislative power is, therefore, of a normal character.

ANNEXURE

EXTRACTS FROM THE INCOME-TAX ACT, 1961

(43 OF 1961)

* * * * *

32. (1) In respect of depreciation of buildings, machinery, plant or furniture owned, wholly or partly, by the assessee and used for the purposes of the business or profession, the following deductions shall, subject to the provisions of section 34, be allowed—

Depreciation.

* * * * *

(4E) This section applies to any undertaking which begins commercial production of mineral oil in the North-Eastern Region.

* * * * *

(6) The number of assessment years referred to in sub-section (1) shall, including the initial assessment year, be—

* * * * *

S. GOPALAN,
Secretary-General.

